

Message Text

LIMITED OFFICIAL USE

PAGE 01 LONDON 19751 292259Z

70

ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 LAB-04

SIL-01 H-02 L-03 PA-01 PRS-01 /087 W

----- 054982

R 291044Z DEC 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 7680

AMEMBASSY ANKARA

LIMITED OFFICIAL USE LONDON 19751

E.O. 11652: N/A

TAGS: EFIN, TU

SUBJECT: SALE OF BONDS BY TURKISH GOVERNMENT

1. A MR. RICHARD SWIFT, DESCRIBING HIMSELF AS A SELF-EMPLOYED CONSULTANT, CALLED BOTH THE POLITICAL AND ECONOMIC SECTIONS OF THE EMBASSY TO REPORT THAT HE HAD LEARNED FROM AN IMPECCABLE SOURCE DESCRIBED AS A SMALL, CREDIT-WORTHY COMPANY IN ZURICH, THAT TURKISH GOVERNMENT HOPES TO SELL 20-YEAR BONDS, MATURITIES RUNNING FROM 14/8/1975 TO 13/8/1995 ON A DISCOUNTED BASIS TO RAISE 150 MILLION DOLLARS. THERE WOULD BE NO PAYMENTS OF INTEREST OR PRINCIPAL UNTIL THE MATURITY DATE IN 1995 AT WHICH TIME 704.6 MILLION DOLLARS WOULD BE PAID YIELDING 8.56 PERCENT ON A COMPOUND BASIS.

2. MR. SWIFT SAID THE BORROWING IS BEING INITIATED BECAUSE THE TURKS NEED FOREIGN CURRENCY, IN PART FOR DEBT SERVICING. HE CALLED BORROWING A NORMAL COMMERCIAL RISK BUT STRESSED IT IS NOT KNOWN TO THE INVESTMENT MARKET AND ASKED THE U.S. GOVERNMENT KEEP THE INFORMATION CONFIDENTIAL. SWIFT SAID THE NOTES ALREADY EXIST, ARE IN SWITZERLAND.

LIMITED OFFICIAL USE

PAGE 02 LONDON 19751 292259Z

LAND AND HAVE BEEN SIGNED BY PERSONS IN AUTHORITY IN TUR-

KEY WHOSE SIGNATURES WOULD BE ACCEPTED.

3. MR. SWIFT DISCLAIMED POLITICAL MOTIVATIONS HIMSELF, THOUGHT THE U.S. GOVERNMENT MIGHT BE INTERESTED IN PURCHASING THE NOTES IN ORDER TO EXERT ECONOMIC AND POLITICAL LEVERAGE OVER TURKEY.

4. EMBASSY OFFICER EXPLAINED BOTH THE EXECUTIVE AND LEGISLATIVE BRANCHES OF THE U.S. GOVERNMENT HAVE DETAILED PROCEDURES IN EXPENDING FUNDS. THIS WOULD NOT BE A NORMAL TYPE OPERATION NOR THE METHOD IN WHICH AID FROM THE U.S. GOVERNMENT WOULD BE MADE AVAILABLE TO A RECIPIENT COUNTRY. MR. SWIFT SAID HE RECOGNIZED THIS, BUT PERHAPS THE BANK OF AMERICA COULD BE USED AS AN INTERMEDIARY. EMBASSY OFFICER REPLIED THAT HE DOUBTED THIS WOULD BE POSSIBLE, GIVEN NORMAL APPROPRIATION PROCESSES IN THE U.S. GOVERNMENT, BUT PROMISED TO INFORM BOTH WASHINGTON AND EMBASSY ANKARA, STRESSING MR. SWIFT'S REQUEST THAT THERE BE NO DISCUSSION OF THE PROJECT OUTSIDE U.S. GOVERNMENT CIRCLES.

5. COMMENT: EMBASSY ANKARA AND WASHINGTON AGENCIES ARE IN BETTER POSITION TO EVALUATE THE ABOVE THAN WE ARE. TURKISH GOVERNMENT MAY INDEED BE ATTEMPTING TO RAISE FUNDS AS DESCRIBED ABOVE THROUGH A PRIVATE PLACEMENT. UNLESS OTHERWISE INSTRUCTED, EMBASSY WILL INFORM MR. SWIFT SHOULD HE CALL BACK, THAT U. S. GOVERNMENT IS NOT INTERESTED IN PARTICIPATING IN THE ISSUE.

SPIERS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT BONDS, SALES, LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 DEC 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LONDON19751
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750449-0364
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975128/aaaaaguz.tel
Line Count: 90
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 25 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 JUN 2003 by ElyME>; APPROVED <10 JUL 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SALE OF BONDS BY TURKISH GOVERNMENT
TAGS: EFIN, TU, SZ
To: STATE ANKARA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006